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June 20, 2025

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## Notice on Introduction of Incentive Plan Utilizing Employee Stock Ownership Plan

We hereby announce that at its meeting of the Board of Directors held on June 20, 2025, the Company resolved to introduce a trust-type incentive plan utilizing an employee stock ownership plan (hereinafter referred to as the “ESOP Trust”) for the purpose of enhancing the medium- to long-term corporate value of the Company.

### 1. Purpose of Introducing the ESOP Trust

We will introduce the Plan to further enhance the benefit program for employees who support the Company’s growth and to provide incentives to increase the stock price, thereby further raising employees’ awareness of the Company’s performance and stock value and improving the Company’s corporate value over the medium to long term.

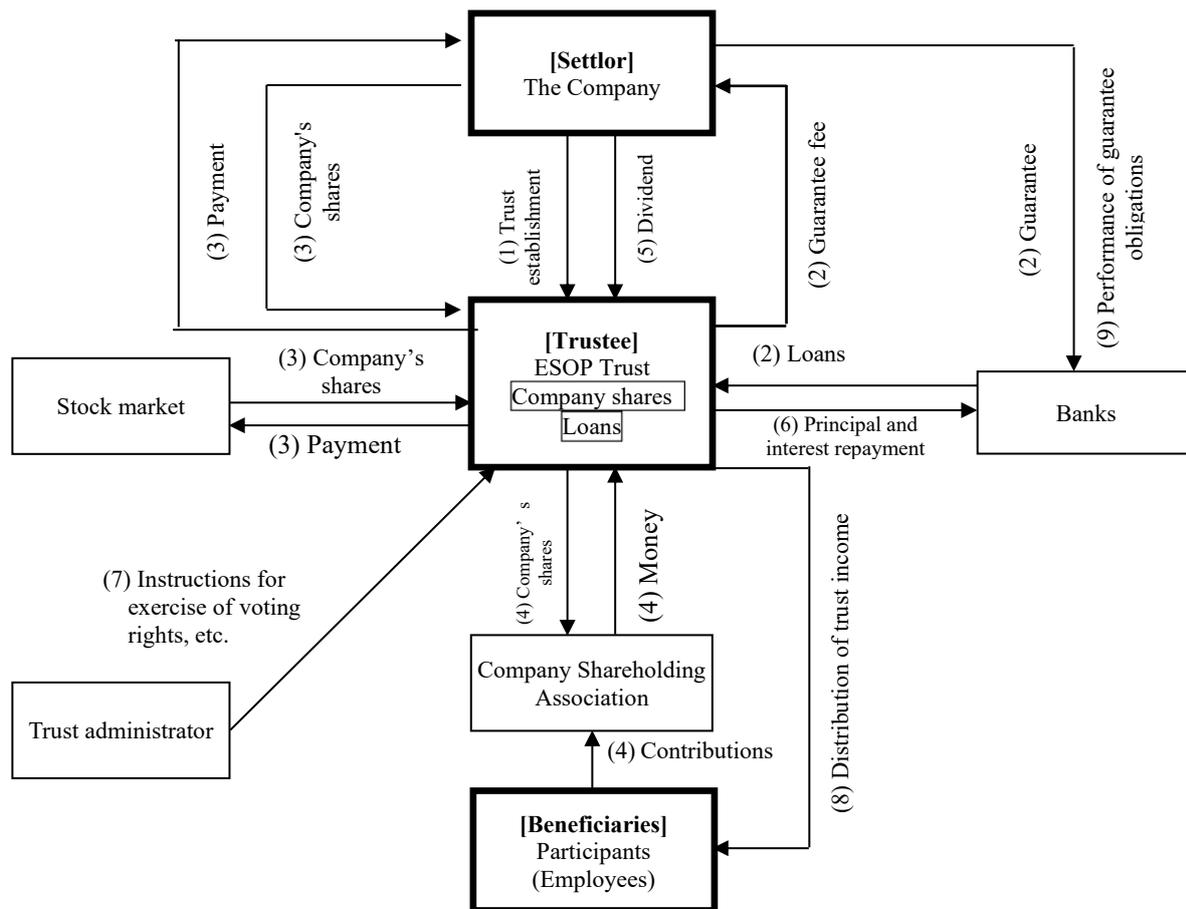
### 2. About the ESOP Trust

The ESOP Trust is a trust-type employee incentive plan that applies the mechanism of an employee stock ownership plan with reference to the Employee Stock Ownership Plan (ESOP) system in the U.S., with the purpose of expanding the savings system (expanding the benefit system) to promote asset-building of employees utilizing the Company’s shares.

The Company will establish a trust for the beneficiaries who satisfy certain requirements among the employees who are members of the “Morozoff Employees’ Shareholding Association” (hereinafter referred to as the “Company Shareholding Association”). The trust will acquire in a lump sum the number of Company shares expected to be acquired by the Company Shareholding Association over the next several years. Thereafter, the trust will sell the Company’s shares to the Company Shareholding Association on a certain date each month. At the time of termination of the trust, if there is any trust income due to an increase in the stock price, money will be distributed to the beneficiary employees in accordance with the ESOP management rules in proportion to the ratio of interests. In the event that a transfer loss is incurred due to a decline in the stock price and a debt related to the trust assets remains, the Company will repay the bank in a lump sum in accordance with the guarantee clause in the loan agreement, and there will be no additional burden on the employees.

Details such as the timing and period of establishment of the trust will be announced as soon as they are determined.

### 3. ESOP Trust Structure



- (1) The Company will establish the ESOP Trust whose beneficiaries are employees who satisfy the requirements for beneficiaries.
- (2) The ESOP Trust will borrow the funds necessary to acquire the Company's shares from the bank. The Company will guarantee the ESOP Trust's loans.
- (3) The ESOP Trust will acquire the number of the Company's shares expected to be acquired by the Company Shareholding Association during the trust period from the stock market or the Company with the loans described in (2) above.
- (4) The ESOP Trust will transfer to the Company Shareholding Association the number of shares of the Company's stock that can be transferred with the money contributed to the ESOP Trust by a fixed date each month throughout the trust period at market value.
- (5) The ESOP Trust, as a shareholder of the Company, will receive the dividends distributed.
- (6) The ESOP Trust will use the proceeds from the sale of the Company's shares to the Company Shareholding Association and dividends on the shares held as the resource to repay the principal and interest of the bank loans.
- (7) Throughout the trust period, the trust administrator will provide instructions for the exercise of voting rights and other rights as a shareholder, and the ESOP Trust will exercise its rights as a shareholder in accordance with such instructions.
- (8) At the time of termination of the trust, if there are any remaining Company shares in the trust due to an increase in the stock price, they will be converted into cash and distributed to the beneficiaries in proportion to their ratio of interests.
- (9) If, at the time of termination of the trust, a loan remains in the trust due to a decline in the stock price, the Company will repay the loan to the bank in a lump sum based on the guarantee described in (2) above.